

Under the new Management Policy the foundations for growth.



The year 2008 was a year of turbulence. While the AGC Group achieved record high operating income in the first half of the year, income and profits declined in the latter half due to the impact of the global recession. It is not, however, the AGC Group alone that faces the challenges brought about by the economic crisis. What is important for the AGC Group is that we gather sufficient strength to prepare ourselves for the period of demand recovery, which is certain to come. We will not hold back, but continue to actively invest our resources in areas such as development of technology to prevent climate change, and cultivation of global-minded personnel.

The new Management Policy *Grow Beyond* has been formulated to realize the AGC Group Vision.

The AGC Group believes that the prerequisite to corporate existence is to fulfill its social responsibility and to obtain trust from society. In addition, we aspire to meet the expectations of society and to continue to grow as a corporation. Upon assuming the post of President and COO last year, I formulated the new Management Policy ***Grow Beyond*** in order to realize the AGC Group Vision, ***“Look Beyond”***, announced in 2002. Crucial themes highlighted in ***Grow Beyond*** are: “Build foundations for growth” and “Our people are our strength – each employee must exert their maximum strength aiming at growth as a whole Group.”

We will build the foundations for growth, and aspire to become a true global company.

The AGC Group will closely look at mid- to long-term changes in the market as we focus on the following three viewpoints to build the foundations for growth.

Grow Beyond, we will build

1 We will deliver technology solutions for climate change.

Addressing climate change is a major issue for the AGC Group, as this is relevant to the continuation of our business. It also provides us with an important opportunity to contribute to society through our business. Production of glass requires a large amount of energy. It is duly our responsibility to improve this situation, and the AGC Group is determined to make sincere efforts toward this end. We also firmly believe that, we will be able to contribute to solutions for climate change, by leveraging our glass, chemicals and ceramics technologies to develop high-efficiency photovoltaic materials and energy-saving glass, and by promoting global penetration of these products.

2 Glass-technology-driven Company: We will serve new needs through differentiation of the AGC Group's core technologies.

The AGC Group will contribute to society around the world by enhancing our core glass technology. We are, for example, developing technology that halves the energy consumption required for production. This will enable dramatic improvement of production efficiency, as well as substantial reduction of both environmental burden and manufacturing cost. We will also provide our products with higher added value by further promoting integration of glass, chemicals and ceramics technologies.

3 Second Round of Globalization: We aspire to make a further leap forward as a global company.

The AGC Group will continue to closely monitor and anticipate trend shifts in the world and reinforce our global management strength. The Group currently operates business in Asia, Europe and North America. In addition, we will work to take on new challenges

to launch operations in new countries and regions that are expected to grow rapidly, such as BRICs, with a view to providing the best products to customers around the world. In order to gain acceptance in new markets, we will strive to construct new business models tailored to the culture and practices of each country.

Under the slogan of "Our People are Our Strength," we will promote the growth of our employees and the Group.

The "people" are what performs various tasks and thus supports the growth of the AGC Group. Under the slogan of "Our People are Our Strength," we will provide opportunities that allow our employees who aspire to grow to exert their maximum strength, so they can grow with AGC Group. By creating a virtuous cycle of growth of both our people and the Group, we will gather strength as a company to assure continued growth of the Group.

Approximately 50,000 employees of the AGC Group work in some 30 countries and regions with different commercial practices and social needs. Each employee will adopt and follow the four Shared Values in the Group Vision "**Look Beyond**" and fulfill their social responsibilities in their respective countries and regions, as well as provide products and services with high added value. Through this approach, we are aiming at becoming a true global company that can meet the expectations of society.

Kazuhiko Ishimura
President & COO

